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1. On 1 August 1952, a Soviet delegation, formed by Soviet industrial and mining experts, headed by A. N. Omelchenko, chairman of the Soviet State Steel Committee, arrived in Prague to conclude a final settlement of negotiations with the Czechoslovak Government concerning the increase of steel production in Czechoslovakia during the last period of Gottwald's Five Year Plan. At these negotiations, which are expected to last two weeks, the Czechoslovak Government was represented by Engineer Jozef Pucik, Minister-Chairman of the Czechoslovak State Planning Office, by Julius Maurer, newly appointed Minister of Heavy Industry, and by Gustav Kliment, chairman of the Czechoslovak Trade Union Organization (Ustredni Rada Odboru-U.R.O.).
2. The Soviet delegation set up the following targets for yearly Czechoslovak steel production to be achieved by 31 August 1954:
  - a. Miscellaneous and decentralized steel works --- 6,000,000 tons.
  - b. Chief steel combines, new Steel works, Vitkovice (V.Z.K.G.); Nova Hut, Klementa Gottwalda, Kunčice-Moravská Ostrava; Svermovy Závody, Národní Podnik, Podbrezová; Zavody V.I. Lenina, Plzeň (Skoda); Huko Košice; V.M. Molotov Steel and Iron Works, Trinec; Spojene Ocelárny, Kladno--- 24,000,000 tons.
3. Leading Czechoslovak industrial and mining experts consider these Soviet demands as absolutely unrealizable. Actually the different decentralized steel works in Czechoslovakia are producing slightly over 3,200,000 tons per year and this production can hardly be increased to over 3,600,000 tons by August 1954. The construction of new big steel combines is suffering continuous delay owing to manpower shortage and absenteeism.
4. The new Klement Gottwald Steel Works (Nova Hut Klementa Gottwalda) in Kunčice-

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Moravska Ostrava, planned to be put in production 1 October 1952, has fallen 7 or 8 weeks behind schedule. The Huko Kombinat in Kosice in Slovakia, expected to produce 1,000,000 tons of steel monthly from 1 July 1953, has been 3 to 5 months behind schedule. The steel production in Huko, from 1 July 1953 on, will surely not exceed 80-120,000 tons monthly. Good progress in the increase of steel production has been announced from Vitkovice (V.Z.K.G.) and from Podbrezová (Švermovy Závody), but this progress in no way complies with Soviet demands as formulated to the Czechoslovak Government by the Soviet delegation now negotiating in Prague.

5. In general Czechoslovak industrial and mining experts are convinced that Soviet demands for yearly steel production of 30,000,000 tons in Czechoslovakia can be satisfied in the future, but cannot be achieved even on the preliminary scale under circumstances prevailing today in that country. The capacity of steel production in the three best running steel combines in Czechoslovakia (Plzeň, Kladno, Trinec) cannot be substantially increased without causing dislocations in other planned industries in Czechoslovakia, whose production must also comply with the demands of other Soviet ministries.
6. In spite of priority and urgency given by the Czechoslovak Government to the building of new steel combines in Czechoslovakia (Kunčice and Huko), new doubts are expressed by Czechoslovak steel experts that even after the steel combines will be ready for production, the targets fixed by the Soviet delegation for total Czechoslovak steel production from 1954 on cannot be fulfilled in the future without mass introduction of foreign manpower (German or Chinese) into Czechoslovakia.

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